GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6772
ANSWERED ON:10.05.2002
INDIAN ECONOMY
RAMSHETH THAKUR

Will the Minister of FINANCE be pleased to state:

(a) whether CII has made certain suggestions to overcome the present situation of Indian economy;

(b) if so, the details thereof;

(c) whether a large number of proposals regarding changes in various sectors of the economy are still under consideration of the Government;

(d) if so, the reasons for delay in taking final decisions on those proposals; and

(e) the extent to which the Indian economy has been affected during the last two years due to uncertainty of the Government?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (e) : Various chambers of Commerce and Industry including CII submit memoranda to the Government from time to time including the pre-budget memoranda seeking some concessions and relaxations as also suggesting some measures for improving the economy. Such representations as and when received, are examined by the Government on merit and appropriate action in respect of such matters whenever found necessary, is taken. In order to accelerate economic growth, the Budget 2002-03 has announced far reaching reforms in agriculture, dismantled capital controls for expatriate Indians and has terminated administered pricing mechanism for petroleum products. In the above Budget, several measures have also been around to promote industrial growth viz. reduction in most administered interest rates by 50 basis points, dereservation of over 50 items from the area reserved for SSI sector, abolition of 16% excise duty on a number of items and reduction of peak customs duty from 35 to 30%. Since various measures relating to economic growth are based on objective criteria and basic direction of reform indicated by the Government, there is no major uncertainty in this regard.